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FAR EAST

1.	MIG-15 unit transfers from Korean border to East China:	
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	Comment: The Sixth Regiment, equipped with about 25 MIG-15's, moved to Takushan in early November. This is the first known transfer of a jet fighter unit from Manchuria. Several other Chinese air units moved from Manchuria to East China in December and early January, but these moves involved only conventional aircraft.	
	The purpose of transferring a MIG-15 combat- tested unit from the Korean theater to East China may be to strengthen the inadequate air defenses of the Shanghai area.	
	madequate all defended of the bhanghar areas	
2.	Interim replacements for De Lattre named:	
	The US Military Attache in Hanoi has been in- formed that General Salan, General de Lattre's deputy, has been appointed Commander-in- Chief, "pending de Lattre's return." At the	3.3(h)(2
	same time Governor-General Gautier, De Lattre's chief civil aide, was named Acting High Commissioner. De Lattre will probably need several months to recover from a recent operation.	
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Comment: General de Lattre has recently undergone a second operation which was apparently more serious than earlier reports suggested. Recent reports indicate that the general will not be willing to reassume his command because of disillusionment with the stalemate in Indochina as well as for reasons of health.

SOUTH ASIA

3. Comment on Kashmir efforts to throw off Indian domination:

Kashmir's National Conference Party, led by Prime Minister Sheikh Abdullah, has taken another step toward complete autonomy for Indian-held Kashmir. It has passed a resolution claiming for the new Kashmiri Legislature the right to participate in foreign affairs and defense matters, heretofore recognized by the Kashmiris as the exclusive prerogative of the Government of India.

The Indian Government, possibly underestimating the Kashmiris' desire for autonomy, countenanced earlier steps which included the decision to establish a Kashmiri Constituent Assembly, the rigged elections of last October which placed members of the National Conference in every seat of the Assembly, and the November amendment of the state constitution to convert the Assembly into a Legislature with supreme authority over all matters except foreign affairs, defense, and communications.

A high Indian official recently admitted that his government has had difficulties in dealing with the Kashmiris, who were inclined to be "unreasonable and stubborn." The current Kashmiri maneuver challenges India's most jealously guarded rights in the state, and it may lead Sheikh Abdullah into open conflict with India.



NEAR EAST - AFRICA

4.	Saudi Arabian King makes new demand on Arabian American Oil Company:						
	King Ibn Saud has recently demanded that the Trans-Arabian Pipeline Company, which de- livers the oil of the Arabian American Oil Company to the Mediterranean, be put on a profit-making basis. The King believes that he will thus be able to demand 50 percent of any profits made by the ARAMCO subsidiary which now operates						
	on a cost basis.						
	The Executive Board of ARAMCO expects to discuss this and other issues with the King when it meets with him in mid-January. Ibn Saud's recent expressions of bitterness over the company do not presage a happy atmosphere for solving their outstanding differences.						
	Comment: If Trans-Arabian Pipeline is put on a profit-making basis, the money allotted to the King will actually come from the parent company, ARAMCO. It is unlikely therefore that fulfillment of the King's wishes will give him more money than he is now getting on the basis of a 50-50 agreement with ARAMCO itself.						
5.	French Minister recommends unilateral approach to Syria:						
	The French Minister in Damascus has recommended a unilateral French approach to the Syrian Army Chief of Staff, Lt. Col. Shishakli, prior to a tripartite exchange of military and economic commitments with the new Syrian Government. The French Minister argues that France is in a better position to initiate descreet talks with the Syrians than the Americans, who Shishakli fears will impose a trusteeship over Syria, or the British, whom the Syrian military accuse of baying failed in commitments to the Army						
	military accuse of having failed in commitments to the Army.						
	According to the Minister, Syrian conviction that the United States is in league with Israel makes American plans suspect, and						
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the sympathy shown by the new Syrian leaders for the Egyptian cause militates against British action with the Syrian General Staff.

Comment: The US Embassy in Damascus has previously warned that French attempts to promote their own special interests in Syria might seriously hamper any unified action taken by the US, Britain and France in dealing with the new Syrian regime and also endanger Western efforts to gain general Arab support for the Middle East Command proposals.

EASTERN EUROPE

6.	Bucharest orders	militia	to	report	all	incidents	in	Hungar	ian-R	umanian
	border areas:									

The Rumanian Militia Directorate General has ordered militia posts in the four districts along the Hungarian border to make urgent detailed factual reports on all crimes committed by

Hungarian and Rumanian nationals in Rumanian-Hungarian frontier localities from 23 August 1944 to 3 December 1951. The reports are to include cases of border crossings by criminals and accomplices of either nationality and instances of collaboration between Rumanian and Hungarian police in the pursuit and capture of culprits.

Comment: On 23 August 1944 the pro-German regime in Rumania was overthrown and Rumania joined the Allies. The urgency and thoroughness of the report requested by Rumanian authorities suggests that some friction may have developed with Hungary over the control of the common border areas. There is no other evidence to substantiate this hypothesis, however, and both countries have prided themselves on their success as socialist states in resolving the traditional Transylvanian issue.

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JS Ambassador in Wars	saw foresees new restrictions on American missions:
	American Ambassador Flack in Warsaw comments that the rapid trial in Poland of five alleged US spies suggests a possible build-up to justify increasing restrictions on American missions in Eastern Europe.
to a point likely to prove Europe. The Ambassac Satellite notes and prop	The Ambassador points out it is possible that an at Soviet instigation, is being deliberately carried oke US withdrawal of one or more missions in Eastern for states that his analysis is consistent with recent aganda portraying US missions as espionage agencies egitimate diplomatic functions.
Warsaw, but alleged the officers. The recent no in Eastern Europe, did	Comment: The charges against the Polish fy that they had contacts with the US Embassy in at they were recruited in Germany by US intelligence tes, while attacking former members of US missions not mention any current members. So far there have the USSR or the Satellites no longer desire to mains in the West.
	WESTERN EUROPE
Adenauer wants clarific	ation of German defense contribution:
	American negotiators, meeting with Federal Republic representatives on the German financial contribution to Western defense, feel that Chancellor Adenauer is "dragging his feet" in is now insisting that German experts be sent before ouncil Committee to redetermine the amount of the

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manner.



German defense contribution. He argues that the Bonn Parliament will not approve these negotiations unless it appears that the body which fixed other NATO nations' contributions also fix the German contribution in the same

Comment: No German representatives were present when the Committee fixed the size of the German contribution. Adenauer's demand for new Committee hearings reflects his feeling that a German defense contribution fixed by the Allies alone resembles occupation costs.

Allied representatives have reasonable hope that agreement will be reached on the annexed conventions to the Contractual Agreement -- with the possible exception of this issue -- before the next NATO conference.

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The American Ambassador in Madrid urges that the United States take full advantage of an unusually pro-US atmosphere in Spain by sending teams to negotiate military and economic aid agreements.

The Ambassador feels that a highly cordial attitude on the part of the Spanish Government has been created by recent press statements of two American officials regarding the results of the survey of the Spanish economy recently completed by a special US mission. In his opinion, these statements show that American interest in improving the Spanish economy and popular living standards is quite separate from political considerations.

Comment: The Spanish Government, through the controlled press, is apparently trying to create the impression that negotiation of an economic agreement will begin at any moment, regardless of military considerations, and that every sector of the Spanish economy will receive considerable immediate aid. This tactic reflects the overwhelming political importance which the regime attaches to American aid.

TOP SECRET

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